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STATE FOR AF/W, AF/EX AND INR/AA
STATE PASS TO USTR-AGAMA
BAGHDAD FOR MCCULLOUGH
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USAID/AFR/WA FOR TWAY, USAID/AFR/SD JHILL, AND UNSAID/EGAT
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SUBJECT: NIGERIA: DESOPADEC'S QUICK START PROJECTS REAP
BENEFITS

REF: LAGOS 66

11. (U) Summary: At a meeting on February 5 in the main offices of the Delta State Oil Producing Areas Development Commission (DESOPADEC) in Warri, Delta State, officials of the organization told Pol-Econ Chief, PolOff and Office of Security Cooperation (OSC) representatives that over six hundred projects had been initiated over the last two years and none have ever been the target of criminal or militant violence. Section heads from DESOPADEC explained the objectives of the organization, the distribution of projects by ethnicity, and expressed optimism about effecting development in every community in Delta State within the next decade. They believed that peace can also be achieved in consequence. Studies of the Niger Delta crisis have always emphasized that development is the key to ending the violence because only development can offer legitimate employment and improve living standards. While DESOPADEC alone cannot provide sustainable services or deliver all the development necessary, it makes an important contribution both in terms of tangible projects and offering hope to disillusioned and impoverished communities. The question of sustainability in a period of falling oil prices is, however, critical. End Summary.

All Ethnic Groups Benefit from Over 600 Projects

12. (U) Pol-Econ Chief, PolOff and OSC representatives (U.S. team) visited the headquarters of DESOPADEC in Warri, Delta State, on February 5. Section Heads for Project Monitoring and Supervision, Infrastructural Development and Waterways, Environmental Control, Agriculture and Fisheries, and Legal and Community Relations all reported on their activities. They explained that DESOPADEC awards projects based on level of oil production to communities inhabited by all the five main ethnic groups in Delta State, Ijaw, Itsekiri, Urhobo, Isoko and Ndokwa. Some funding is reserved for use on special projects, i.e. those carried out in communities with very little or no oil production. Based on the documentation of the Monitoring and Supervision Department, DESOPADEC has undertaken a total of 611 projects, 365 of which were initiated in 2007 and a further 246 started in 2008.

Infrastructure, Schools, Clinics, Energy and Agriculture

¶3. (U) The range of projects undertaken by DESOPADEC includes construction, services, employment, and human development. Construction projects cover everything from traditional infrastructure projects such as roads, bridges, jetties, potable water plants, and solar-powered generators to development projects such as the building of schools, clinics, staff-quarters and housing. DESOPADEC also provides free medical services both at mobile clinics or primary care clinics. Other projects provide schools with furnishings, text-books and laboratory equipment. Agricultural projects such as cassava flour mills and poultry and rice farms have the double goal of providing employment and reducing hunger. DESOPADEC has also initiated a micro-credit scheme, financed skills acquisition centers and is providing scholarships to students.

Innovative Technologies Fit Area's Needs

¶4. (SBU) DESOPADEC has started to focus on innovative but small scale technologies for the local generation of power because the national grid is too unreliable, particularly for medical facilities or water treatment. DESOPADEC officials said that both solar and bio-mass energy projects are in operation or planned. DESOPADEC has also initiated a first-of-its kind project to wring potable water from the air. As reported previously (reftel), DESOPADEC is also looking into the possibility of establishing up to ten small refineries which would provide employment for an estimated 2,000 people.

Peace Dividend

¶5. (U) Officials of DESOPADEC believe that their small-scale but wide-spread development strategy has helped reduce the level of anger in communities which has been the breeding ground for violence. They pointed out that not one of DESOPADEC's projects had ever been the target of criminal or militant attack. The development of infrastructure, microfinance facilities and support for education and skills training, as well as the projects like the refineries and the farms that directly create jobs, will, they argue, cumulatively ease the unemployment situation. Officials said that by bringing development to every community they are creating hope and this in turn will bring peace to Delta State.

¶6. (U) Comment: Most analyses of the Niger Delta Crisis identify unemployment and the lack of development as among the root causes of the unrest in the region. While DESOPADEC alone cannot provide sustainable services or deliver all the development necessary, it makes an important contribution both in terms of tangible projects and giving hope. DESOPADEC appears to be a major contributor to peace in Delta State and serves as encouragement to other states to establish their own OPADECS. (Note: Edo and Imo States are the only other states of the nine oil producing states to have established a similar development agency funded through the state's derivation income. End Note.) Although dependent on oil revenues, DESOPADEC's projects appear for the most part to be self-sustaining. End Summary.

¶7. (U) This cable was cleared by Embassy Abuja.

BLAIR